NOTICE TO OWNER REGARDING MECHANICS LIEN LAW

(COMPLIES WITH SECTION 7018.5 OF THE CALIFORNIA BUSINESS AND PROFESSIONS CODE)

TO:

_____
(Owner's/Agent's Name)

_____
(Owner's/Agent's Street Address)

_____
(City) (State) (Zip)

_____ _____
(Owner's/Agent's Telephone) (Owner's/Agent's FAX)

Email _____
(Owner's/Agent's)

FROM:

_____
(Direct Contractor's Name)

_____
(Direct Contractor's Street Address)

_____
(City) (State) (Zip)

_____ _____
(Direct Contractor's Telephone) (Direct Contractor's FAX)

Email _____
(Direct Contractor's)

PROPOSED WORK TO BE PERFORMED: _____

_____
(Work to be performed at)

MECHANICS LIEN WARNING. Anyone who helps improve your property, but who is not paid, may record what is called a mechanics lien on your property. A mechanics lien is a claim, like a mortgage or home equity loan, made against your property and recorded.

Even if you pay your contractor in full, unpaid subcontractors, suppliers, and laborers who helped to improve your property may record mechanics liens and sue you in court to foreclose the lien. If a court finds the lien is valid, you could be forced to pay twice or have a court officer sell your home to pay the lien. Liens can also affect your credit. To preserve their right to record a lien, each subcontractor and material supplier must provide you with a document called a Preliminary Notice. This notice is not a lien. The purpose of the notice is to let you know that the person who sends you the notice has the right to record a lien on your property if he or she is not paid.

BE CAREFUL. The Preliminary Notice can be sent up to 20 days after the subcontractor starts work or the supplier provides material. This can be a big problem if you pay your contractor before you have received the Preliminary Notices.

You will not get Preliminary Notices from your direct contractor or from laborers who work on your project. The law assumes that you already know they are improving your property.

PROTECT YOURSELF FROM LIENS. You can protect yourself from liens by getting a list from your contractor of all the subcontractors and material suppliers that work on your project. Find out from your contractor when these subcontractors started work and when these suppliers delivered goods or materials. Then wait 20 days, paying attention to the Preliminary Notices you receive.

PAY WITH JOINT CHECKS. One way to protect yourself is to pay with a joint check. When your contractor tells you it is time to pay for the work of a subcontractor or supplier who has provided you with a Preliminary Notice, write a joint check payable to both the contractor and the subcontractor or material supplier.

For other ways to prevent liens, visit CSLB's Internet Web site at www.cslb.ca.gov or call CSLB at 800-321-CSLB (2752).

REMEMBER, IF YOU DO NOTHING, YOU RISK HAVING A LIEN PLACED ON YOUR HOME.
This can mean that you may have to pay twice, or face the forced sale of your home to pay what you owe.

METHOD OF TRANSMITTAL

☐ U.S. Mail ☐ First Class ☐ Certified ☐ Registered ☐ (FAX/Phone # _____)

☐ United Parcel Service ☐ Federal Express ☐ Personal Delivery

_____
(Direct Contractor's Name)

X _____
(Direct Contractor's Signature)

_____
(Date)

_____
(Owner's/Agent's Name)

X _____
(Owner's/Agent's Signature)

_____
(Date)

SAMPLE

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